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No. 99-925

IN THE

Supreme Court of the United States

INTERSTELLAR STARSHIP SERVICES, LIMITED
and MICHAEL R. TCHOU,

Petitioners,

v.

EPIX, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

REPLY BRIEF FOR PETITIONERS

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RESPONDENT'S STATEMENT OF THE CASE

In its Statement of the Case, Epix, Inc. ("Epix") raises a new issue concerning the status of Tchou as an employee of Intel. No connection has been shown between the activities of the Rocky Horror Picture Show shown on the epix.com web pages and the electronic "design for test" consulting services of Interstellar Starship Services ("Interstellar"). A consulting contract of Interstellar existent at relevant times was through the name "ISS" (i.e., Interstellar) with a company called SiQual (which itself had a contract with Intel), wherein the term "epix.com" nowhere appears. Just as Epix has sought to use the Network Solutions, Inc. ("NSI") dispute policy as a lever to seek acquisition of the domain name epix.com, so has it used this suit as a medium onto which to "piggy back" a course of industrial espionage of its competitor Intel, an effort which Interstellar has so far successfully resisted.[1]

The Epix reference on p. 2, lines 10-11 of its BRIEF IN OPPOSITION to "captured video images and video image processing software" is untrue, since no image on the epix.com web site was ever captured from video or had made use of such software, and in support of which claim Epix has necessarily been unable to present any evidence. As will be noted with respect to Question 5 below, that is the kind of untruth that a party can get away with in a Motion for Summary Judgment at the trial level, wherein all statements of the non-moving party are taken to be true. "Video" involves analog data depicting moving images, as on TV or a VCR using a video tape, which data must be converted to digital form for display on a computer. Interstellar has not done any of that, the epix.com web site

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1. ". . . ISS correctly points out that its use of the 'epix.com' web site, rather than the entirety of the business transacted under the ISS name, is the relevant criterion . . . ." *Interstellar Starship Services, Limited v. Epix, Inc.*, 184 F.3d 1107, 1110, 51 U.S.P.Q.2d 1535, 1537 (CA9 1999) (Petition, p. 8a.)

showing only still images. In fact, even had the epix.com site *used* video equipment and video imaging software (as it might have, e.g., if it had elected to show a Rocky Horror Picture Show performance on its site), that would not have put it in the business of *marketing* the same, which would be the only way that Epix could advance any theory of trademark infringement. Moreover, Epix abandoned this Intel/video consulting theory at final argument in District Court (Appendix A). In any event, if Epix wished to raise this issue it should have done so through a Cross Petition and not by way of its Opposition.

Other than to point out that the Interstellar MOTION TO SUPPLEMENT PETITION FOR A WRIT OF CERTIORARI concerning the *Anticybersquatting Consumer Protection Act* was *required* to be filed under *Supreme Court Rule 29(4)(b)*, i.e., the Solicitor General *must* be served whenever a case draws into question[2] the constitutionality of an Act of Congress, and not for the purpose of directly challenging the constitutionality of that Act (which is not a part of the case for which the Petition was filed), Interstellar will not respond to the argument on the merits contained within Epix's "Statement of the Case," such response being reserved to Interstellar's Brief should certiorari be granted. Interstellar would thus respectfully urge that each of the questions herein be considered for grant of certiorari on their merits, without complication from any nonexistent Intel connection.

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2. Here it has been assumed that even to draw in a statute *indirectly*, i.e., by way of questioning the constitutionality of another statute that has an identical constitutional basis, would require the application of *Supreme Court Rule 29(4)(b)*.

A. WHETHER UNDER THE COMMERCE CLAUSE AND LANHAM ACT FEDERAL COURTS HAVE JURISDICTION OVER INTERNET DOMAIN NAMES.

Jurisdiction, of course, can be raised at any time. Ordinarily, that occurs with respect to jurisdiction of the case within which the issue is raised, a circumstance not present here, but if the jurisdictional question would fundamentally affect the rights of the parties to the case, it would seem that such a jurisdictional issue could similarly be raised at any time. What Epix is pleased to call Interstellar's "tardy" raising of the issue occurred, in fact, shortly after the issue came to the realization of the undersigned, and it was raised not by way of intervention in a case in which Interstellar was not a party, as Epix would have it, but rather by way of adding to the record of Interstellar's own case then before the Ninth Circuit — i.e., the instant case.[3] Moreover, it is not a hypothetical question but rather one that, if Interstellar's analysis is correct, would make of the NSI dispute policy of which Epix took advantage a fraudulent scheme, which could directly impact the outcome of this case, other like cases, and indeed a significant aspect of Internet operations as a whole, namely, domain name administration. The posture of the present case makes the issue non-hypothetical, but the significance of the issue extends far beyond the present case, and Interstellar respectfully submits that the question should be granted certiorari for that reason.

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3. As a matter of courtesy, counsel for Avery-Dennison, Sumpton, Lockheed Martin and Network Solutions, Inc., these being the parties whose domain name-related cases were to be argued at the Ninth Circuit on the same day as was the instant case, were served by the undersigned with copies of the Interstellar motion.

B. WHETHER THE DISPUTE POLICY INSTITUTED BY NETWORK SOLUTIONS, INC. AS TO SUCH DOMAIN NAME REGISTRATIONS EFFECT *DE FACTO* CHANGES IN U.S. TRADEMARK LAW CONTRARY TO FREE SPEECH AND DUE PROCESS RIGHTS.

On another issue newly raised by Epix, whether it played any role in the formulation of the NSI dispute policy (Interstellar would assume that it did not) has no bearing on the significance of the question or the unlawfulness of the policy of which Epix took advantage. The fact that Epix played no role in formulating the policy would perhaps bear on the *amount* of any liability for taking advantage of that policy, but would not affect either such liability itself or the issue of its using unconstitutional means as the root cause of the present suit. In any event, the question is one of statutory construction that necessarily falls out of the premise that Interstellar argues, i.e., that the NSI policy rests upon an unconstitutional base wherein a domain name registrant in the role of trademark infringement defendant encounters a *de facto* "law" that is substantively and procedurally different from that encountered by other prospective trademark defendants, and that constitutes impingement upon free speech and due process rights. Grant of certiorari should be considered irrespective of whether Epix had any role in formulating the NSI policy.

C. WHETHER USE OF THAT DISPUTE POLICY IS AN ACTIONABLE TORT.

The Epix Opposition on this question, which asserts that constitutional violations can only be charged against governmental agencies, emphasizes the reason why certiorari should be granted. Interstellar has argued that private individuals or organizations acting under color of law in an unconstitutional manner and under the shroud of a governmental cloak can thereby create both a Civil Rights suit and liability for attorney

fees in any suit in which such action plays a role, hence the question is important to be decided.

D. WHETHER UNDER THE ENUMERATED POWERS DOCTRINE THE COURTS CAN THEMSELVES ADD TO TRADEMARK LAW AN "INITIAL CONFUSION" DOCTRINE.

Although Interstellar centered this question on the extent to which federal courts can graft new meanings onto the Lanham Act, Epix opposes on a different basis, namely, that there is no split of opinion on the issue of "initial confusion" between the circuits, a basis upon which Interstellar did not rely with respect to this question. This new issue by Epix then points to yet another reason certiorari should be granted: *Hasbro Inc. v. Clue Computing Inc.*, 66 F. Supp. 2d 117, 125, 52 U.S.P.Q.2d 1402, 1408 (D. Mass. 1999), distinguishes the opinion below, instead citing with approval the case *Teletech Customer Care Management (Cal.) Inc. v. Tele-Tech Co.*, 977 F. Supp. 1407, 42 U.S.P.Q.2d 1913 (C.D. Cal. 1997), a case within the Ninth Circuit that Interstellar had cited[4] as expressing the correct law on the matter. Thus, there is not only a split between the circuits but inconsistent positions within the Ninth Circuit since the opinion below does not cite *Teletech*, whether to overrule or otherwise — a party within the Ninth Circuit, or at least within the Central District of California, would have no notion of what the correct law is — and certiorari should be granted on these grounds as well.

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4. "See also *Teletech Customer Care Management (Cal.) Inc. v. Tele-Tech Co.*, . . . : 'Teletech has thus far demonstrated an initial confusion on the part of web browsers using the domain name "teletech.com" but finding the Defendant's website. This brief confusion is not cognizable under the trademark laws.' " COMBINED BRIEF FOR APPELLEE/CROSS-APPELLANT INTERSTELLAR . . . , p. 12, n.8.

E. WHETHER INADMISSIBLE HEARSAY CAN BE USED TO DEFEAT A MOTION FOR SUMMARY JUDGMENT OF NON-INFRINGEMENT OF A TRADEMARK.

On this question Epix does not oppose the grant of certiorari or raise any new points thereon, hence for present purposes Interstellar will overlook the several Epix misstatements of fact and no further response will be made.

F. WHETHER LIKELIHOOD OF CONFUSION CAN BE FOUND SOLELY ON THE BASIS OF SERVER LOGS THAT RECORD CONNECTIONS BETWEEN COMPUTERS.

On this question Epix only argues the merits, without questioning either the grant of certiorari or any new points thereon, hence no response will be made.

G. WHETHER "BAD INTENT" CAN BE ATTRIBUTED TO ONE WHO USES A MARK WITHOUT KNOWLEDGE OF AN EXISTING MARK ON THE BASIS OF HAVING LATER SOUGHT REGISTRATION OF THE MARK WHILE KNOWING OF THE OTHER MARK.

Epix raises an issue of whether or not it has abandoned its mark. Interstellar concurs with the statement that Interstellar has not raised that issue. Interstellar also notes that any issue of abandonment, the purpose of Epix in introducing the issue being quite a mystery, has nothing whatever to do with the question, hence on that subject Interstellar need say no more. As to whether the "*Brookfield*-derived dictum"[5] concerning adoption of a designation[6] can constitute a "case or controversy," even dicta play a part in reaching decided issues, and when the opinion below misstates when Interstellar became aware of the Epix

5. Petition, p. 16.

6. Petition, p. 9a.

trademark[7] while declining to apply that same rule to an actual fact of the case — *Epix* copying the *Interstellar* trademark application (Appendix B) — there is indeed a case or controversy in the reliance in the opinion below on when Interstellar applied for trademark registration rather than when it adopted the mark.

H. WHETHER A DEPONENT CAN BE OBLIGED BY A COURT TO DISCLOSE A TRADE SECRET KNOWN TO BUT NOT OWNED BY THAT DEPONENT.

Epix asserts that the issue is hypothetical, while at the same time preparation for trial goes on and the issue will undoubtedly come up again, i.e., Epix will no doubt cite the existing Order of the District Court with respect to further deposition of Tchou or other discovery. That makes the issue ripe for review as a general proposition, and of course of substantial importance to Tchou. The quest for lists of Intel employees is not a legitimate inquiry since it would involve disclosure of Intel trade secrets — in this day and age if you know who the workers are, and their job titles, you pretty much know what work is being done. On the other hand, a request simply for the names of persons with whom Tchou may have discussed the case would be a legitimate one, and had the inquiry been so framed it would have been answered, but it is not the job of the deponent or his counsel to assist the inquirer in framing questions.

The statement that "TCHOU sought to conceal his <epix.com> domain name activities while employed at or consulting for INTEL"[8] is a complete fabrication for which no evidence has been or could be produced by Epix.

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7. Petition, p. 15.

8. Opposition, p. 15.

I. WHETHER IN LANHAM ACT CASES COURTS MUST APPLY THE STANDARDS FOR IMPOSITION OF ATTORNEY FEES AS WRITTEN BY THE CONGRESS.

Reference to *Noxell Corporation et al. v. Firehouse No. 1 Bar-B-Que Restaurant*, 771 F.2d 521 (CADC 1985), which Interstellar has cited as expressing the proper standards for attorney fees in trademark cases, will confirm that what Interstellar has argued is precisely *opposite* that which Epix states it was seeking: Interstellar argues in fact that *different* rules should apply in accordance with the legislative history of the Lanham Act, and not the same rule under the legislative history of the Copyright Act as noted in *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 114 S. Ct. 1023, 127 L. Ed. 2d 455 (1994). That *Fogerty*, a *copyright* case, is evidently to be taken in the Ninth Circuit as the lead case with respect to attorney fees in *trademark* cases, suffices in itself to commend Supreme Court review.

J. WHETHER LITIGATION-RELATED ACTIONS OF A PARTY ARE "REASONABLE" BY DEFINITION IF CARRIED OUT UNDER THE ADVICE OF COUNSEL.

On this question Epix only argues the merits, without questioning either the grant of certiorari or any new points thereon, hence no response will be made.

K. CONSTITUTIONALITY OF THE ANTICYBER-SQUATTING CONSUMER PROTECTION ACT

This is a new issue, not raised by Interstellar except by way of its obligatory notice to the Solicitor General as described above.[9] This is not, as Epix would have it, a matter of "return of

9. The Motion as filed by Interstellar contains only the language required by *Supreme Court Rule 29(4)(b)*, and conspicuously lacks any designation of the issue as an additional question.

jurisdiction to the District Court" — jurisdiction is now in that court, preparation for trial is under way, and absent issuance of a stay that course will proceed. However, even though Epix has not yet filed a countercomplaint under the statute, its expressed intent to do so[10] would make a "case or controversy" sufficient to establish jurisdiction just as any other expression of an intent to file suit. If and when Epix does file such a countercomplaint, Interstellar will of course attack that countercomplaint on grounds that would include the unconstitutionality of the statute, so whether or not the Supreme Court deems that sufficient to take up the matter now, Interstellar does not see how the court could grant certiorari on the first question pertaining to the constitutionality of the manner of use by Epix (courtesy of NSI and the National Science Foundation) of the NSI policy without implicitly encompassing this statute as well. Explicit treatment of the issue by the Supreme Court would of course be unusual, with no lower court opinions to review, hence it would seem to be a matter of discretion, e.g., what course the court finds to be most economical of judicial resources. Thus, since this issue was raised by Epix in its opposition rather than by cross-petition, Interstellar cannot really respond and hence takes no position on the matter.

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10. Opposition, p. 18.

CONCLUSION

As to the questions being hypothetical, Interstellar submits that they all have direct bearing on the outcome of this case. Interstellar grants that ten questions would be a rather inordinate number for grants of certiorari all at once, but at the same time notes that such circumstance is simply a consequence of the opinion below, over which Interstellar had little or no control. It is also suggested that since the questions do traverse a substantial portion of the operation of the Internet, and with the only Supreme Court case pertaining to the Internet being *ACLU v. Reno*, 521 U.S. 844, 117 S. Ct. 2329, 138 L. Ed. 2d 874 (S. Ct. 1997), which had a rather narrow albeit very significant scope, the present case would provide the Supreme Court with an opportunity to bring some degree of order out of Internet cases, and particularly "domain name cases," which at present show substantial disorder, if not chaos.

Respectfully submitted,

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APPENDIX

APPENDIX A — TRANSCRIPT OF ORAL ARGUMENT, DISTRICT COURT, SEPT. 29, 1997, pp. 10, 36-37

[p. 10]

MR. HEUSER: * * * The third factor, class of goods in question. The evidence submitted by us shows that ISS performed two types of services under the epix.com mark. ISS argues that they really only use it with the Clinton Street Theatre services and they don't use it with Mr. Tchou's other circuit board consulting business. Well, we think the evidence shows that they're wrong. * * *

[pp. 36-37]

THE COURT: Okay. Before I hear from you, let me ask you this question. Is there a question of fact as to what ISS uses the epix.com Internet site for? Is that a question of fact or is there a dispute?

MR. LOVELL: Based on argument this morning, I would say that there is a dispute. I mean, it's our position that it is used only for the Rocky Horror Picture Show, the Clinton Street Theatre and graphics of the actors and that's all its ever been used for. It's been publicly accessible. And that's of course in trademark law all that counts. Maximum [sic] plan to do something else in the future is entirely different. They have no part in this lawsuit.

MR. HEUSER: My response to that question is it's not a genuine issue of material fact because the Court doesn't have to get to that issue. Admittedly they use it in connection with their Clinton Street Theatre activity. That is infringing.

Appendix A

Now, if you get into this other activity of Mr. Tchou, we feel that there's no controversy on it because we've submitted what he said, that is what he said on his web site, what he said in his deposition, but — so we don't feel there is any substantial evidence contrary to our position.

But I think the Court doesn't need to get to that position because they infringe the trademark by using it in connection with their web site for the Clinton Street Theatre. So it shouldn't preclude summary judgment.

APPENDIX B — COMBINED BRIEF FOR APPELLANT/ CROSS-APPELLEE INTERSTELLAR STARSHIP SERVICES, LIMITED AND MICHAEL R. TCHOU, pp. 33-34

5. On Nov. 8, 1996, ISS filed trademark and service mark applications to register the mark 'EPIX' for "computer graphics designs" and "services for the design of computer graphics" [MEMORANDUM IN SUPPORT OF EPIX MOTION FOR SUMMARY JUDGMENT . . . , pp. 4-5, Exhibit 4, pp. 1-7; ER053-061].

6. On April 30, 1997, Epix applied for a trademark registration for the goods "computer graphics designs" and a service mark registration for "services for the design of computer graphics," claiming that the mark had been used in commerce for both purposes. [ISS MEMORANDUM IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT, pp. 10-11; ER024-025; RESPONSE TO OPPOSITION TO ATTORNEY FEES, Exhibit N, pp. 1-5; ER247-251].